

St. Louis City Ordinance 62994

FLOOR SUBSTITUTE

BOARD BILL NO. [93] 128

INTRODUCED BY ALDERMAN MARTIE J. ABOUSSIE

An ordinance amending The Firemen's Retirement System of St. Louis; repealing Section 4.18.010 of the Revised Code of the City of St. Louis, pertaining to definitions and Section 4.18.260 of the Revised Code of the City of St. Louis, pertaining to member contribution and enacting in lieu thereof two new sections pertaining to the same subject matter, and enacting a new section, as authorized by the General Assembly of the State of Missouri, pertaining to a deferred retirement option plan and containing a severability clause.

WHEREAS, the Board of Aldermen of the City of St. Louis has reviewed the proposed Deferred Retirement Option Plan to The Firemen's Retirement System of the City of St. Louis and has in addition studied the actuarial calculation of said system and hereby legislatively finds that by the adoption of said Deferred Retirement Option Plan to The Firemen's Retirement System, there will be no increase of City contributions required; and

WHEREAS, further, upon close study of the entire Deferred Retirement Option Plan the Board of Aldermen legislatively finds that by the adoption of such system The Firemen's Retirement System will be both updated and enhanced; that said Deferred Retirement Option Plan is in all respect beneficial to the Retirement System, to the City of St. Louis and benefits the moral and well-being of the entire Firemen's system.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

Section One. Sections 4.18.010 and 4.18.260 of the Revised Code of the City of St. Louis are hereby repealed in their entirety, and new sections having the same numerical designation and subject matter, are hereby enacted in lieu thereof; additionally the Board hereby enacts a new section dealing with the institution of and hereby authorizing a deferred retirement option plan.

Section Two. 4.18.010 - The following words and phrases as used in this Chapter, unless a different meaning is plainly required by the context, have the following meanings:

(A) "Accumulated contributions", the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' savings fund together with interest thereon;

(B) "Actuarial equivalent", a benefit of equal value when computed upon the basis of such mortality tables and interest rate as shall be adopted by the board of trustees;

(C) "Average final compensation", the average earnable compensation of the member during his last two years of service as a fireman, or if he has less than two years of service, then the average earnable compensation of his entire period of service;

(D) "Beneficiary", any person in receipt of a retirement allowance or other benefit as provided by this Chapter;

(E) "Benefit reserve", the present value of all payments to be made on account of any retirement allowance or benefit in lieu of a retirement allowance upon the basis of such mortality tables and interest rate as shall be adopted by the board of trustees;

(F) "Board of trustees", the board provided for in section 4.18.055 to administer the retirement system;

(G) "Creditable service", prior service plus membership service as provided in section 4.18.030-4.18.050;

(H) "DROP", the deferred retirement option plan provided in Section 4.18.131.

(I) "Earnable compensation", the regular compensation which a member would earn during one year on the basis of the stated compensation for his rank or position;

(J) "Fireman", any officer or employee of the fire department of the city employed by the city for the duty of fighting fires, but does not include anyone employed in a clerical or other capacity not involving firefighting duties. In case of doubt as to whether any person is a fireman within the meaning of this chapter, the decision of the board of trustees shall be final;

(K) "Medical board", the board of physicians provided for in section 4.18.090;

(L) "Member", a member of the retirement system as defined by section 4.18.020.

(M) "Membership service", service as a fireman rendered since last becoming a member;

(N) "Prior service", all service as a fireman rendered prior to the date the system becomes operative which is creditable in accordance with the provisions of section 4.18.030-4.18.050;

(O) "Retirement allowance", annual payments for life which shall be payable in equal monthly installments or any benefits in lieu thereof granted to a member upon retirement or to a beneficiary;

(P) "Retirement system", the firemen's retirement system of any city as defined in section 4.18.015;

(Q) "Widow", the surviving spouse of a member.

Section Three. Section 4.18.131

A. The board of trustees may develop and establish a deferred retirement plan program ("DROP") in which members eligible for retirement may participate. The DROP program shall be designed to allow members with at least twenty years of creditable service who have achieved eligibility for retirement and receipt of a service retirement allowance to continue active employment and defer receipt of the retirement allowance for a period not to exceed five years. Any member who has at least twenty years of creditable service may elect in writing before retirement to participate in the DROP program. A member electing to participate in the DROP program shall continue in active employment and shall not receive any direct retirement allowance payments during the time of participation. Upon the start of participation in the DROP program, the member shall make the contributions as provided in section 4.18.260. No contribution shall be required by the city. During the period of participation in the DROP program, the amount that the member would have received as a service retirement allowance shall be deposited monthly in the member's DROP account which shall be established in his or her name by the board. Service earned during the period of participation in the DROP program shall not be creditable service and shall not be counted in determination of any service retirement allowance.

B. If a member who has elected to participate in the DROP program chooses to stop participation in the DROP program, he or she shall notify the board in writing. Upon receipt of notice of a member's desire to end participation in the DROP program, the board shall return the member to non-DROP participation

status and both the member and the city shall make the contributions required by this Chapter. Service rendered after restoration of the member to non-DROP participation status shall be counted as creditable service. No member ending participation in the DROP program and returning to non-DROP participation status shall make any withdrawal from his or her DROP account until after termination of employment. If after return to non-DROP participation status, a member retires, the member's retirement allowance shall be computed on the combination of the member's pre-DROP service retirement allowance plus an additional allowance earned by a member after returning to non-DROP participation status. Post-DROP participation years of service will be the only years used in computing the additional allowance, however, total years of creditable service will be used to determine the appropriate level of additional allowance, two percent or four percent, for each year of post-DROP participation service. Upon retirement the member shall receive additional benefits as provided under the provisions of this Chapter, plus the amount which has accumulated in his or her DROP account. The amount in the member's DROP account shall be payable, at the member's option, either as a lump sum payment or as a periodic payment calculated according to a deferred payment plan established by the board.

C. A member who terminates employment after participation in the DROP program may withdraw any amount in his or her DROP account in a lump sum or according to a deferred payment plan established by the board at his option. If the member is eligible to receive a service retirement allowance, benefit payment shall begin at the time specified in this Chapter.

D. If a member dies prior to termination of employment while participating in the DROP program, the funds in his or her DROP account shall be payable to the member's designated beneficiary under either of the following options:

(i) A lump sum payment equal to the amount in the member's DROP account shall be paid to the beneficiary or the member's estate. The benefits for a beneficiary provided under the provisions of this Chapter shall be based on the member's compensation and creditable service prior to the member's election to participate in the DROP program; or

(ii) The beneficiary shall waive any right, claim or interest in the member's DROP account and any benefits payable to the beneficiary under the provisions of this Chapter shall be calculated as if the member had continued as an employee and had not elected to participate in the DROP program. Any funds in a DROP account which has been waived as provided in this subdivision shall become funds of the system.

E. If a member who has elected to participate in the DROP program subsequently applies for and receives benefits for an accidental disability retirement allowance under the provisions of Ordinance 54780, 1967, the member shall forfeit all rights, claims or interest in his or her DROP account and the member's benefits shall be calculated as if the member had continued in employment and had not elected to participate in the DROP program. Any funds in a DROP account which has been forfeited as provided in this subsection shall become funds of the system.

F. A member's DROP account shall earn interest equal to the percentage rate of return of the system's investment portfolio as certified annually by the system's actuary in the yearly evaluation report. The interest shall be credited annually to the member's account beginning with the start of the second fiscal year of participation.

G. No member may elect to participate in the DROP program more than once.

Section Four. 4.18.260 - The board of trustees shall certify to the chief of the fire department and the chief of the fire department shall cause to be deducted from the salary of each member on each and every payroll for each and every pay period, eight percent of the compensation of each member not participating in the DROP program and one percent of the compensation of each member participating in the DROP program.

Section Five. Severability Clause. The sections of this Ordinance shall be severable. In the event that any section of this Ordinance is found by a court of competent jurisdiction to be unconstitutional, the remaining sections of this Ordinance are valid unless the court finds the valid sections of this Ordinance are so essentially and inseparably connected with, and so dependent upon, the void section that it cannot be presumed that the Aldermen would have enacted the valid sections without the void ones, or unless the Court finds that the valid sections, standing alone, are incomplete and incapable of being executed in accordance with the legislative intent.

Legislative History				
1ST READING	REF TO COMM	COMMITTEE	COMM SUB	COMM AMEND
07/01/93	07/01/93	PS		

2ND READING	FLOOR AMEND	FLOOR SUB	PERFECTN	PASSAGE
10/15/93			10/29/93	10/29/93
ORDINANCE	VETOED		VETO OVR	
62994				